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ESSAY  
ON  
IMPOST DUTIES  
AND  
PROHIBITIONS.

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TRANSLATED FROM THE FRENCH OF  
THE COUNT CHAPTAL,

Formerly Minister of the Interior, Member of the Royal Academy of Sciences  
of the Institute, Grand-Officer of the Legion of Honour, Chevalier of the  
Royal Order of Saint Michel, &c. &c.

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"It belongs only to the real statesman to elevate his views in the imposition of  
taxes, above the mere object of finances, and to transform them into useful re-  
gulations."—ROUSSEAU.

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"Une bonne législation de douanes est la vraie sauvegarde de l'industrie agri-  
cole et manufacturière ; elle élève ou diminue ses droits aux frontières, selon les  
circonstances et les besoins ; elle compense le désavantage que notre fabrication  
peut trouver dans le prix comparé de la main d'œuvre ou du combustible ; elle  
protège les arts naissans par les prohibitions, pour ne les livrer à la concurrence  
avec les étrangers, que lorsqu'ils ont pu réunir tous les degrés de perfection."

CHAPTAL.

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"Le fabricant Anglois, couvert de ses avances, riche de ses capitaux, peut  
faire des sacrifices pour étouffer une industrie rivale ; le fabricant François n'a  
rien à lui opposer, si la législation ne le protège." *Idem.*

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"C'est à tort qu'on croiroit aujourd'hui, que, depuis la suppression des cor-  
porations, il soit possible d'établir un monopole sur un objet de fabrication : la  
carrière est ouverte à tout le monde ; et lorsqu'une branche d'industrie pros-  
père, les concurrens deviennent si nombreux, en peu de temps, que le prix des pro-  
duits est bientôt ramené à ce qu'il doit être." *Idem.*

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## ADVERTISEMENT,

BY THE TRANSLATOR.

THIS Pamphlet comprises two chapters of a large and valuable work, recently published in Paris, by the celebrated Chaptal, formerly minister of the interior, &c. under the title, "*De l'Industrie Française*;" containing an exhilarating detail of the prosperous state of the arts and manufactures of France, in the year 1819.

They furnish a luminous view of two important branches of political economy, impost duties, and prohibitions of foreign merchandize. As these topics occupy a considerable portion of the attention of the nation, it was presumed that it would be rendering the country an acceptable service, to publish the theory of an eminent foreigner on a subject involving so large a portion of individual happiness and public prosperity.

This work has one decisive advantage, which an enlightened people will duly appreciate. It rests on the impregnable basis of strong facts, and the experience of a great nation, whose enviable situation is the direct result of the system, of which the outlines are here developed.

This system is in direct hostility with that of Adam Smith: and this nation is now solemnly called upon by regard to its dearest interests to decide between them. The doctor's theory of unrestrained commerce, specious and captivating as it appears, has never been carried fully into operation by any nation—and requires a state of things that has never existed, and a universal concurrence of nations, for which the most sanguine enthusiast can never hope. However, Spain, Portugal, and the United States, have partially acted on it—and have, in consequence, sacrificed the industry of their people to that of foreigners, in order to buy abroad "*what could be had cheaper than at home.*"

The result is fatal to the system. Its effects in Spain and Portugal have been the subject of comment for centuries. Our experience has, it is true, been very limited, but, alas! for the happiness and welfare of thousands, and the prosperity of the nation, it has been lamentably conclusive. We have ransacked the world for manufactured goods, of many of which we had the raw material in superabundance, and impoverished ourselves to pay for them, while thousands of our own citizens, capable of furnishing the same articles, have been devoted to idleness, and many of them to beggary and vice.

Dr. Smith's system has made no impression on the councils of Great Britain. It is there scouted out of doors. And hence she

lays the whole world under contribution, wherever she can find admittance for her manufactures. By four branches, the cotton, linen, woollen, and leather, she gains a clear profit of 63,000,000\* of pounds sterling, or 270,000,000 of dollars annually.

France has likewise rejected the doctor's system. She was exhausted by bloody wars, of above twenty years duration, and for two years afterwards devoured by hostile armies, and subjected to enormous contributions to the amount of one hundred millions of dollars. To a superficial observer, it would appear she was so crushed by those misfortunes, that it would require half a century to restore her. But what is the fact? She has recovered from her sufferings in two or three years, and is now among the most prosperous nations in Europe, or in the world.

And whence has this mighty change arisen? From the true philosopher's stone—the talent of Midas—which transforms all it touches into gold. She fostered and protected the industry of her subjects. This is the only genuine source of wealth. She submitted in some cases to pay higher prices for inferior articles, in the incipency of her establishments, than she could purchase the most finished articles for abroad. The consequence of this sound policy was, that in a short space of time her own manufactures arrived at perfection, and were sold cheaper than the foreign.

“Nos casimers coûtoient 25 fr. l'aune au fabricant, dans le principe; et les Anglois offroient les leurs au consommateur, à moitié prix; les percales, les calicots, mal fabriqués, nous revenoient à 7 à 8 fr. l'aune; les Anglois les livroient à 3 fr.

“Falloit-il renoncer à ce projet de conquête manufacturière? Non, il falloit persister, et se perfectionner. C'est aussi la marche qu'on a suivie: et nous sommes arrivés à un tel degré de perfection, que notre industrie excite aujourd'hui la jalousie de la nation qui nous l'a transmise.”—CHAPTAL.†

These important facts put the seal of confirmation on the profound maxim of Alexander Hamilton, worthy to be written in letters of gold:—

“Though it were true, that the immediate and certain effect of regulations controlling the competition of foreign with domestic fabrics, was an increase of price, it is universally true, that THE CONTRARY IS THE ULTIMATE EFFECT WITH EVERY SUCCESSFUL MANUFACTURE. When a domestic manufacture has attained to perfection, and has engaged in the prosecution of it a competent number of persons, IT INVARIABLY BECOMES CHEAPER. Being free from the heavy charges which attend the importation of foreign commodities, it can be afforded cheaper, and accordingly seldom or never fails to be sold cheaper, in process of time, than was the foreign article for which it is a substitute. The internal competition which takes place, soon does away every thing like monopoly; and by degrees REDUCES THE PRICE OF THE ARTICLE TO THE MINIMUM OF A REASONABLE PROFIT ON THE CAPITAL EMPLOYED. This accords with the reason of the thing, and with experience.”

PHILADELPHIA, JANUARY, 1821.

\* Colquhoun on the Wealth, Power, and Resources of Great Britain, page 91.

† See the translation of this passage, in page 12.

‡ Hamilton's Works, I. 212.

ESSAY  
ON  
IMPOST DUTIES  
AND  
PROHIBITIONS.

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OF THE CUSTOMS.

OF all the problems that present themselves to the mind of a statesman, that of a sound tariff is the most difficult to solve. Such a tariff imposes the duty of reconciling hostile interests—and as that is impossible, whatever arrangement may be made, one class of citizens will suffer, while another is favoured. Thus the legislator has to balance the censure he receives from one party against the approbation of another.

The agriculturist is desirous that all the fruits of the earth, as well as the necessaries of life, as raw materials for manufactures, should be prohibited or burdened with duties. The manufacturer requires that raw materials be admitted free of duty, and that all manufactured articles be excluded. The merchant, whose interest is to exchange every thing, [dont l'intérêt est de tout déplacer,] wishes, that whatever is necessary for commerce, be allowed to be exported and imported, without molestation or impost. And the consumer, whose object is to subsist himself on the best terms, requires to have the exportation prohibited of every production of the soil or industry, and that all analogous objects from foreign countries be freely admitted. And the government, which regards the proceeds of the duties among its resources, is obliged to support the tariff in order to provide the treasury with the necessary revenues.

It is in the midst of these clashing interests and views, that the legislator is obliged to proceed. But as it is impossible to conciliate the whole, he must seek other grounds to proceed upon.

From what has been stated, the partizans of unlimited freedom of commerce will not fail to conclude, that impost duties ought to be suppressed. In this opinion I am very far from coinciding. In order to refute it, we require only to reflect on the result of this suppression.

If we had no duties, we should soon behold the ruin of those numerous establishments where iron is manufactured to the amount of forty millions [annually]; as this manufacture struggles with difficulty against those of the north of Europe, notwithstanding the enormous duties to which the productions of the latter are sub-

ject. We should behold those work-shops of spinners, of weavers, and of cotton-printers, which, created in our day, have not acquired sufficient strength nor capital to struggle with those of foreign nations. We should see disappear those precious manufactures of ironmongery, which have been established under the guarantee of the duties upon and prohibitions against foreign rival productions; and we should reduce to misery those millions of active and industrious inhabitants, whose existence depends on those new kinds of industry, and at the same time annihilate an enormous amount of capital invested in machinery and buildings, which would cease to be productive by the cessation of the labours of industry.

It will doubtless be replied, that this part of the industrious population will be restored to agriculture. But can there be pointed out a single spot on the surface of France, where labourers are deficient for agriculture? Do we not behold, every year, many of our provinces, surcharged with population, discharge the excess into other countries? Moreover, can we allow ourselves to believe, that men born in cities, and brought up in work-shops, are calculated for agricultural labour?

Agriculture is an employment which, like all others, requires an apprenticeship and practice; and also a degree of strength and other qualifications, which will be sought for in vain in workmen grown old in manufactories. That part of the population which derives its support from labour, is naturally divided between the fields and the workshops, in proportion to what they respectively require. To change the order, is to destroy the equilibrium, and to produce misery and all its excesses.

It will be added, that the consumers, who comprise the whole nation, would derive benefit from the unrestrained importation of the productions of industry, which foreigners could furnish at a cheaper rate. But I demand, how shall we pay foreigners for more than a thousand millions worth [of livres], of productions of this kind with which our manufactories furnish us at present? With the produce of our soil? The measure of foreign consumption has been long fixed; and does not reach to one hundred millions beyond our wants. It will be said, that the foreign consumption would increase. I cannot coincide in this opinion. But if it augments, the part reserved for the supply of the nation would rise in price. The native consumer would therefore lose what he expected to gain; and the nation would sacrifice the advantages of the manual labour, which are so considerable in the productions for which the raw materials derived from the soil are employed. Or, should we pay the excess of our importations over our exportation by our specie? Where are our mines? especially since the revolution in South America has deprived us of fifty millions annually, which we derived from our commerce with Spain? Should we pay with our fine drapery and our Lyons silks, which are the

principal productions of industry that we can export to advantage? But even were we to double our present exportation of these articles, which is by no means probable, we should not export one hundred and fifty millions. France could not, therefore, pay one half of what she at present consumes in the productions of her manufactures—and she would deprive herself of wealth, the result of the labour of her artisans and manufacturers, to the amount of six or seven hundred millions.

Let us not, therefore, lose ourselves in the labyrinth of metaphysical abstractions. Let us preserve and study to improve what is already established.

A sound legislation on the impost duties, is the true safeguard of agricultural and manufacturing industry. It raises or reduces the tariff, according to circumstances and necessity. It compensates the disadvantages which our manufactures might suffer in the price compared with the workmanship or fuel. It protects the infant arts and manufactures, and shields them from the rivalry of foreigners, until they have arrived at a due degree of perfection. It tends to establish the independence of the industry of France; and enriches the nation by an increase of useful labour, which, as I have repeatedly stated, is the principal source of public wealth.

This legislation embraces all the interests of a nation. But as it cannot promote them all in an equal degree, it ought in a more especial manner to give a preference to those which require its assistance.

In this species of hierarchy of wants [*d'hierarchie des besoins*,] manufacturing industry occupies the first rank. Like the agriculturalist and the merchant, the manufacturer invests capital in his enterprises. But this capital is sunk in the purchase of a contingent annuity, and is productive only when his manufacture prospers. An unwise tariff destroys it entirely in his hands; as, for the most part, it consists only in machinery and buildings. Independent of the loss he incurs, this would be a real loss to the French nation, because it would diminish the productions and labour of the country. The agriculturalist and the merchant may be disappointed in their operations; but their capitals remain. They may change their destination; while all is lost to the manufacturer. Like the agriculturist and the merchant, the manufacturer employs labourers, but the workmanship necessary for his operations is more extensive than for that of either of the others. We see in many workshops, five hundred workmen employed to produce articles to the amount of one million in value; while some operations of commerce produce the same sum by the aid of a few clerks. The merchant adds no value to the merchandize which he transports. But the manufacturer creates almost all the value which the raw materials acquire in his hands. All merit undoubtedly the protection of the government—but all have not



the same necessity for it—because their interests do not depend in the same degree on the legislation of impost duties.

To legislate, therefore, correctly on the subject of the tariff, it is necessary to be well acquainted with the state of our manufactures, and to compare it with that of the foreign ones; and also with the difference in the prices of workmanship, fuel, and raw materials; and then to regulate the duties according to these documents, in order to render the competition at least equal.

There are persons who regard the tariff only with respect to their own interest, and who decide as if that interest alone was to be consulted. There are others who advocate the maxim, which is generally adopted, that the importation of raw materials ought to be fully allowed without duty. A third class assert, that duties on foreign productions ought never to exceed fifteen per cent. *ad valorem*.

Let us analyse these three opinions.

I. We have already observed, that the agriculturalist, the manufacturer, the merchant, and the consumer, have adverse interests, which the legislation of duties could not reconcile. In this conflict of demands and of opposing pretensions, what is the duty of the legislator? To calculate the benefit and injury arising to each, and to adopt the system productive of the greatest good to the country.

The interest of the agriculturalist would be to have the importation of wool, of hemp, and of flax, prohibited. But the productions of our soil of those descriptions do not afford all the qualities desirable for the various species of articles for which they are employed. And moreover, I ask, are there any of those articles unsold on the hands of our farmers? Has their culture diminished or fallen away? Were that the case, there is no doubt that duties ought to be levied on the importation of rival articles for the purpose of reviving this important culture. But even in that case, we ought to free from duty those kinds which we do not produce, or which we produce in too small quantities, such as the merino and long fleeces, in order not to extinguish the industry employed on them.

The manufacturer solicits the free introduction of raw materials, and the prohibition of manufactured articles. If his views prevailed, the iron of Sweden, and Russia, and England, alone would be used in our workshops; and France would lose a species of industry which gives support to 100,000 of her people—enhances the value of her forests—and employs an immense mass of machinery which would then cease to be productive. We already possess various establishments for the manufacture of metals, which have been but recently established, and which do not as yet furnish enough for our consumption. To prohibit, therefore, similar foreign productions, would materially injure the public. A legislation in this case ought to confine itself to impose

moderate duties, to favour this rising industry, and to encourage it by premiums, in order to enable it to support the competition. This is the only means of reconciling the adverse interests. As the principal object of the imposition of duties is the protection of industry, a portion of the revenues arising from them should be employed for its encouragement.

There are no general principles on the subject of a tariff. Every thing depends on circumstances, on the comparative state of industry, and on the necessities of the consumer. A wise legislator ought to regulate his arrangements on a profound study of all these objects.

II. It is asserted in general terms, that raw materials ought to be admitted duty free, and this maxim is regarded as the basis of legislation on the tariff. Let us commence by a definition of the term. Are we to understand by "*raw material*" what has undergone no workmanship whatever? There is no article that falls within this description. Hemp, cotton, flax, metals have undergone various operations, previous to their exportation. And cast-steel, which must be regarded as a raw material, as it becomes the subject of various manufactures, has undergone many more. Thus, from the wool and leather, which have received the labour of the workman, to the thread for laces, and the cast-steel, all ought to be ranged in the class of raw materials. The only difference that can be made between these substances, depends on the degree of workmanship they have undergone.

Whatever degree of labour has been employed on a raw material, it preserves that character so long as it requires to undergo some other operation previous to its passing into the hands of the consumer. In wandering from this principle, we know not where to commence nor where to terminate. I am not ignorant that the different degrees of labour bestowed on any substance ought to be only weighed; because workmanship is wealth which we ought to appropriate to ourselves. But when the new labour which is employed on the substance already wrought in a certain degree, imparts an enormous value in comparison of its cost, are there not sufficient reasons for introducing it into our workshops, in preference to other materials less elaborated, and which, nevertheless, are scarcely susceptible of any more workmanship? Are not the thread for laces, the cast-steel, which is to be converted into trinkets, although they have already received much labour, more valuable, and do they not require more new labour, than Barbary wool, which has received scarcely any?

In departing from this principle, namely, that the legislation of duties can be established only on a perfect knowledge of the comparative state of our industry and that of foreigners, we cannot fail to go astray.

Let us suppose for a moment, that the partisans of the free entry of raw materials confine themselves to those which have received

but a small portion of labour, and let us apply their principles in order to judge of them by their results.

Cotton yarn forms the raw material of our numerous fabrics of laces and calicoes. If we admit this material of a single operation, behold the infallible results! One hundred millions, at present productive, would be destroyed for the spinner, the manufacturer, and for France; as this capital consists in buildings, utensils, and machinery, appropriated to this sole purpose. Two hundred thousand work-people would be deprived of employment. About 80 millions of labour would be lost to France; and commerce would be deprived of one of its principal resources, which consists in the transportation of the cottons of Asia and America into France.

Let it not be supposed that I deceive myself. I well know the comparative state of our manufactures of thread and those of the two neighbouring nations. On the one side, workmanship is cheaper—on the other, large establishments, supported by great capitals—afford advantages against which we are unable to contend. To this is to be added, that the cotton-spinning machines of England have been in operation for sixty years; that the expences of the first establishment have been amply repaid; that the profits have erected new capitals; but that those of France have been recently formed, and that the interest of the first investment ought for a long time to be computed in considering the profits of the manufacture.

*The English manufacturer, reimbursed for his past expenses, and enjoying the advantage of a large capital, may make great sacrifices to overwhelm rival establishments. The French manufacturer has nothing to oppose to him, unless shielded by the tariff.* To enable the industry of one nation to compete with that of another, it is not enough that the productions be of the same quality; it is necessary that the means of execution present on each side the same advantages.

Coals are certainly a raw material. Let them be admitted duty free, and we shall soon see closed those rich coal-pits of the north and the south of France, on which such immense sums have been expended, to penetrate to the veins, to draw off the water, and raise the coal by steam-engines. The reduced price at which the English can sell their coals in our ports, in consequence of their facilities in extracting them from their mines, and the proximity of those mines to the sea, affords them advantages which we cannot by any means countervail.

It will be replied, that such of our manufactures as are near the Atlantic will profit by the freedom of the trade in coals, and that they therefore can furnish their productions cheaper. This I freely admit. But is not the working of mines a species of industry? Are not the undertakers of it entitled to some regard and attention? Ought we to destroy the capitals they have invested in

their machinery? All that the legislator ought to do is to calculate the expense of freight of the coals of the two countries to the place of consumption, and impose such a duty on those of foreigners as would maintain a useful competition. He ought to annul, for substances of such prime necessity as coals, all the tonnage duties; to dig canals, to facilitate the transportation; to disburden them of all domestic duties; and have them furnished to the work-shops at a reasonable price. Coal mines are not wanting in France. They are even so distributed as to supply the wants of each local situation; but the communications are difficult; the transportation is too expensive. Hence the use of them is limited, and the prices of our manufactures are consequently enhanced.

It is not long since we were tributary to foreigners for the soda, the allum, and the copperas, which form the raw materials of some of our most important arts. Chemistry has bestowed them on France—and we have not only imposed duties on the importation of those articles, to encourage and extend the manufacture of them, but we have freed from duty the salt which is employed in the production of soda. If we were at present to diminish or annul the duties on the rival articles, and to revive the duty on salt, we should not only violate the solemn agreement, in virtue of which the manufacturers invested their capital in these undertakings, but, besides betraying the confidence they reposed in the acts of the government, we should at once lose some of the most valuable benefits conferred on us by the industry of our countrymen.

We have already treated of iron, which is undubitably a raw material in the most rigorous construction of the term, as it is impossible for us to employ it in the form in which it is imported. We have stated the consequences that a free introduction of this metal would produce, and shall not again touch that point. We shall simply observe, that while fuel is so much dearer in France than in the North and in England, our iron can only maintain a competition with that of foreigners through the means of duties to countervail the difference of price.

It appears clearly, from the examples I have cited, that without materially affecting the national industry and wealth, we cannot admit indiscriminately every species of raw material duty free.

III. A principle, not more firmly founded than the preceding, has obtained some weight from the character of those by whom it has been promulged; they assert that a fabric\* which cannot withstand all competition, when supported by a duty of 15 per cent. laid upon the import, does not merit the protection of the government.

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\* By this term we understand those goods which are completely finished, and which pass into immediate consumption.

We may remark, by the way, that any manufacture returns a productive capital, and enriches the nation by a workmanship more or less considerable; and that in this double view, it might be more useful than the receipt of 15 to 20 per cent. which is made on the frontier, on articles of the same nature: but let us examine the question in another point of view.

All the arts have their infancy, and have reached only by degrees to that state of perfection in which they are at present. These improvements have been the result of genius and of those wants, which are ever different among different nations; whence it follows, that the progress of the arts must vary with the causes which influence their developement, and that their prosperity cannot and should not be every where equal.

In speaking only of modern times, we have seen many kinds of industry established and flourish in England, which for a long period of years has made all the other nations tributary for its productions: we have used every effort to appropriate the manufacture to ourselves; weaving by machinery, hardwares, the manufacture of cottons and light woollens, have all at once become the objects of our ambition; but by importing the machinery, by relying on foreign instruction, can it be supposed that we have naturalized those arts difficult in all their parts? can it be supposed that we possess those extensive details, those niceties, that experience, which are the soul of industry? We want only time and attentive practice to acquire all these perfections; cassimeres cost the maker alone 25 fr. per ell; and the English offer theirs to the consumer at half the price; cambrics and calicoes badly made, cost us from 7 to 8 fr. per ell; the English deliver theirs at three.

Should we yield then to these attempts at manufacturing superiority? No; we should persist and carry our own labours to perfection. Such is the course we have pursued, and such is the skill to which we have arrived, that our industry has already excited the jealousy of that nation from which we have derived it.

Nor in fact will the advantages of industry ever be sudden; its progress, naturally slow, may it is true be hastened by science; but there are difficulties only to be overcome by long experience.

If during the twelve or fourteen years, that our efforts, our discoveries, our gradual improvements have been going on, the competition of foreign articles had not been prevented by prohibitions; where then I would ask of the advocates of the 15 per cents, where then would be that delightful industry which is now at once the ornament, the glory, and the wealth of France.

I would say more: at this day, when every species of industry is in a flourishing condition, at this day, when we have nothing to desire with regard to the price or quality of the articles, a duty of 15 per cent. which would open the door of foreign competition, would shake to its foundations every establishment in

France. Our store-houses would in a few days be filled with imported merchandize; it would be offered at any price, in order to stifle our industry; our manufactories would be forced to remain idle, since the proprietor could not make the same sacrifices as the foreigners, and we should behold again the scene that followed the commercial treaty of 1786—altho' it was founded on the basis of the 15 per cents.

It is needless to observe that this would be but a momentary evil, since the foreign manufacturer would eventually sustain the loss; for is it nothing to destroy the consumption for one or two years? to reduce the market price of an article below its actual cost? to convert our work-shops into deserts? to destroy the honour and the fortune of worthy artisans? and to inspire for the future apprehension and distrust?

The government which imposes a duty on the importation of foreign articles, can have only two objects in view—the first, to place the national industry in a situation to contend in point of price with that of foreign nations:—the second, not to allow to a few manufacturers such a monopoly as would be an injury to the consumer. This last point is gained from the moment that we carry into practice an adequate knowledge of the subject; and besides, it is without consideration that an idea is entertained, that after the suppression of corporations, it would be possible to establish a monopoly in manufactures: the course is opened to all the world, and when any branch of industry prospers, the competitors become immediately so numerous, that the price of the article is speedily fixed at its proper value. Notwithstanding the prohibition of foreign cotton goods, those of our own manufacture are delivered at so low a price, that the maker is enabled to carry on his business only by trifling profits accumulated on an immense debt. When potash was first made by the decomposition of sea salt, it was sold at 100 fr. per quintal; competition reduced it to 9 fr. although it was protected by a duty of 5 fr. on all foreign potash. The price will always be fixed by the competition, and the manufacture regulated by the demand. On these two standards the government may always with safety rely.

The regulation of imposts should then be comprehended in this single point, the establishment of such duties as shall enable the national industry of France fairly to contend with that of other nations. It should operate on the same principle, whatever be the nature of that which it would impose. In relying on the futile division of articles into *materials first manufactured*, it will tend continually to expose the fate both of the agricultural and manufacturing industry.

To establish the duties in such a manner as not to injure any of the interests of the community, the statesman should be acquainted with the situation both of the agriculture and manufactures of his country, and compare it with that of others in similar pro-

ductions. He should know what may be the difference in the comparative cost of the manufacture among the various nations who may be called in competition with his own; he should weigh in his wisdom the advantages which may arise from the antiquity of an establishment, the disposition of a large capital, the ease of procuring specie at a low price, those public or private sacrifices which would afford an outlet for merchandize; the national spirit which rejects or admits from preference the productions of other nations; these considerations and many others should enter into his calculations, lest he injure, irreparably injure, the industry of his country.

But the establishment of imposts on the best principles is not alone sufficient; it is still necessary that their execution should be enforced on the frontiers, and their collection rendered easy and regular; but here difficulties of a new kind present themselves.

The duties must be established on the weight, the measure, or the value of the article imported or exported. Whatever mode therefore we adopt, it is impossible to avoid in the application of the law, the commission of some errors, and these errors are always injurious to the industry of the people and the revenue. So different, for instance, are the qualities of tissues, that they vary in value from 1 or 2 to 100 fr. per ell: how then can the collectors of the duties distinguish all the shades minutely marked on so extensive a scale, with regard either to the measure or to the value?

Under the impossibility of applying to each article a duty proportioned to its value, they are obliged to be divided into classes, and a particular tariff established for each class; but is the difference between these classes so striking that they cannot be confounded? and are they separated by limits so strongly marked that the skill of the maker cannot pass under an inferior denomination the goods which he submits to the tariff? Besides, every class is composed of many different qualities as regards their value, and by including these under the same rate of duty, two unfortunate results must follow; the first, that of imposing on the consumer, greatly to his detriment, an inferior article as equal to a superior one; the second, of giving greater encouragement to the introduction of fine than coarse tissues. And farther, when the manufacturer makes his declaration of the value of his merchandize, what means are afforded to the officer of the government to discover its truth? would it be by confiscating it at his own risk and peril, provided he gives the third of the price added to that of his declaration? but this method is improper, and it proves besides that they may err with impunity at least from 15 to 20 per cent. in the application of the law.

The collection established on the measure or the value of the article will not therefore be a sufficient security for the protection

of industry, and it now only remains for us to examine whether that which is founded on the weight of the articles, is not liable to similar inconvenience.

In establishing the duty according to the weight of the goods, the finest tissues, which luxury alone can require, must of necessity pay little in comparison with those coarser ones which are destined to supply the wants of the largest class of society; while the workmanship is scarcely any thing in the latter, and is done at almost nothing in comparison with the total value of the former; such a system therefore is repugnant to the interests of the larger part of the community, and contrary to all sound principles.

We should take a middle course between all these difficulties, and I think that by combining the various methods which the value, weight, and measure present, the proper rate of duty might be least erroneously established.

The duty on the weight has already been established on the greater number of imported articles, such as colonial produce, iron, metallic preparations, chemical salts, &c. and we need only endeavour to apply to tissues the combined method which I propose.

Suppose that we wish to establish a duty on tissues—let us take a measure of each of those two stuffs which form the extremes of goods manufactured from the same material, and strictly determine their weight when of the same length and breadth; now we may consider the weight as a mean by which to fix the duty: this done, let us establish a scale which embraces all the qualities, and take care to raise the duties on fine goods, in a manner proportioned to the workmanship; thus, supposing the same kind of stuff to present ten different qualities, and that the middling is taxed at 1 fr., the finer would pay 20 and 25 frs., and the coarser only 5.

They might then establish the duties on this basis, and confine themselves simply to determining the medium weights of the various qualities of tissues of the same kind, under a comparative length and breadth; they might settle the tariff on this medium, and increase it or diminish it, as the qualities might be superior or inferior. Thus, if a species either of cotton or woollen cloth should present five different qualities as regards either the weight or the value, by fixing the medium duty at 5 fr. it might be lowered for the coarser cloths, or increased for the finer ones, taking care to reach the workmanship in proportion to the value and fineness of the goods.

It would require but little practice to distinguish the different qualities of tissues of the same kind; and the officer, when he had once determined the quality, need only find its weight in order to ascertain its proper duty.



I think it should be further observed that by dividing into classes the different articles manufactured from wool, flax, cotton, &c. and establishing duties on each class, the tariff is imperfect, since it cannot be applied and varied according to qualities which the same kind of cloth presents, and therefore that the protection of industry is unequal ; the method is farther a bad one in that it comprehends, under the same duty, goods which though of the same species, differ greatly in value and in the cost of workmanship. To prove this, it is sufficient to apply it to cloth ; in considering which according to its principles we may divide it into three classes ; 1. fine cloth ; 2. fine and light cloth ; 3. coarser cloth. Under the first may be ranked, broad cloths, high knaped cloths, Dutch ratteens, &c. The second contains, cassimeres, royal cloths, silesias, fine ratteens, camlets, flannels, satin serges, prunella, and turquoise, &c. The third comprehends swanskins, sagatis, hose, liniug serge, kalmucks, and coarse cloths, &c. How then is it possible to distinguish and place in the divisions to which they properly belong these different qualities, so numerous indeed, that their value gradually increases from 5 to 100 fr. ? Admitting, however, this to be possible, do not the qualities of each class vary to infinity ? all those cloths whose value does not exceed 30 fr. per ell, must be included under the coarse stuffs ; those which do exceed that price must be classed among the fine ones ; thus kalmucks are rated at the same duty with the finest Elbeuf cloths, and all those above 30 fr. must pay the same as Spanish vigones and Italian silks ; this method besides labours under the great inconvenience of compromising the interests of the people by taxing at an equal rate those coarse articles which they continually need, and those whose commercial value is three or four times as great.

What we have said of cloths will apply with equal force to cottons, linens, and silks ; and I can perceive no other way to establish a just tariff of customs, than by classing them according to the principles I have laid down.

When the government, pressed by necessity, believes itself obliged to impose duties on the importation of a material which nourishes some species of industry, it should return the duty on the exportation of the manufactured article ; without this, all competition in a foreign market is impossible. This allowance should be made without any other forms than those which are necessary to determine the quantity of the material used in the manufacture of the article to be exported, when that material is not the produce of our own soil ; in the contrary case, certainty of importation should suffice, but the government should do still more, it should increase the tariff on articles manufactured abroad, by raising the duty established on the raw material, and afford an opportunity for competition in the interior.

A system of duties, established on good principles, should be firm, and, if we may use the expression, immutable. Nothing more easily deranges fortune, or destroys confidence, than frequent changes on this point; a diminution of duties on an article ruins him who is overstocked with it, and enriches him who is without it; an increase produces the opposite effect on the same persons. A changeable system disconcerts the best formed plans, and overthrows every speculation; an impost, trifling in appearance, laid on the importation of a material, can destroy the most important manufactures; and government runs the risk of sacrificing a national interest of millions for the receipt of a few thousand francs.

When a species of industry is established on a well known system, he who enters upon it engages his fortune and his labour on the faith it has afforded him; and this system cannot be changed to his injury but by breach of faith, and the abuse of the right of force.

When a government grants certain privileges to create or import a new system of industry, it cannot withdraw them until the necessities of that industry shall no longer need their continuance. It has bound itself to the manufacturer by a solemn compact; it has itself fixed, if we may so say, the employment of his fortune, of his time, of his labour, and by producing his ruin, it must violate all the laws of justice and humanity.

Whatsoever may be the kind of manufacturing industry established in the interior, the government should support it; from the moment it exists, it is no longer necessary to inquire, if it was proper to introduce it, if other kinds of labour have not been lost, if the manufacture of wool instead of cotton, for instance, would not have been better, it is enough that it exists. The government should consider the fortune embarked in these establishments, the habits of labour become peculiar to one part of the population, and that they are no more permitted to sacrifice the fortune of the manufacturer, than to take from the labourer all his means of existence.

## OF PROHIBITIONS.

I CANNOT deny that the opinion which I hold in this chapter, will find opposers amongst the partisans of a free circulation of all commercial articles, supported by a moderate impost; however, as it appears evident to me, that the great improvements of our industry during the last thirty years, could not have been established without prohibitions, and that the English, our rivals in industry, have destroyed by prohibitions, or duties equivalent thereto, the competition of all foreign manufactures; I have thought the question at least worthy of examination.

Those opposed to all prohibition establish their opinion on a few fundamental principles which we shall discuss separately.

1. *Prohibition, say they, opens the door to smuggling.*

I grant that when the commercial value of an article, manufactured in the interior, greatly exceeds that of foreign merchandise, united to the profit on smuggling, it may encourage the fraudulent introduction of the latter, or at least the attempt; but admitting that the vigilance of officers on the frontiers may be eluded, the crime has not its full effect against industry, while the material is prohibited; for it is not enough to introduce it, it must still be sold; and here new difficulties present themselves, new fears of seizure, of confiscation which would destroy the credit, the honour, and the fortune of the consignee, the merchant, and the retailer. To the premium on the introduction of the contraband, must be added a premium for insuring their sale and circulation in the interior. These fears, these dangers, these difficulties, these expenses, which surround the fraudulent introduction of prohibited goods, render it much less considerable than is generally supposed.

It is imagined, that by duties equivalent to the premium of contraband, the industry of the country may be equally protected, and the source of this demoralizing commerce destroyed; with this opinion I do not coincide. A duty of 20 to 30 per cent., which they can evade, offers besides one of the most advantageous commercial speculations that can be undertaken, and it is embraced with the more ardour, because as soon as the article has passed the frontier, there is no danger in circulating it in the interior. Besides, as the premium of contraband varies every day, from greater or less severity in the officers of the government, or their individual honesty, it follows that the duties must be continually increased and diminished to proportion them to the premium, which is impossible to be done, and repugnant to the interests of those who are engaged in lawful trade.

But even in adopting a tariff of duties equivalent to the premium of contraband, could it be expected that these duties would be collected with rigour? was it not seen that after the treaty of 1786, the duties of 15 per cent. were reduced to 5 in the collection? could it, in good faith, be required that the officers should be so well acquainted with tissues or cloths as to apply invariably the proper duty on every shade and quality?

The rich improvements of our industry had never been made, if it had been confined to the duties on the importation of similar articles; prohibition alone has warranted and consolidated them, by inspiring the manufacturer with confidence in his undertakings, and the assurance of an advantageous sale of his goods; it has induced him to employ his credit, his talents, and his capital in forming his establishments, it has afforded him time to perfect them, to instruct his workmen, to acquire experience, to obtain a favourable consumption of his manufactures, and to prepare for a future struggle with foreign industry.

Besides, what would be the effect of these duties however great against the sacrifices of other nations, jealous in preserving or opening the outlets for their own manufactures, and interested in stifling, above all things, industry in its cradle?

2. *Prohibition isolates a nation, and destroys its commercial relations.*

This reason is without doubt the most solid of all those that are in opposition to the prohibitory system; it is very true, that commerce exists only by exchanges, it ceases to exist between two nations, from the moment that one rejects the only articles that another can furnish; but we must remember that duties produce the same effect as prohibition: as soon as Sweden knew of the impost we imposed on her iron, she entirely excluded our wines.

In the actual state of society in Europe, it is impossible always to conform to the strict principles of political economy: industry has penetrated every corner of Europe; all the nations have manufactories of the same kind, the chief part of their capitals has been turned to establishments of this nature; however, the same advantages do not every where exist; the genius, the climate, the workmanship, the taste, the plenty of fuel and provisions, influence the quality or price of the articles, and make a great difference between them; the silks of Moscow must naturally yield to those of Italy and Lyons. In this state of things, the embarrassment is extreme, and whatever measures the government should adopt, it could not obviate every inconvenience: should it permit the importation of foreign articles under certain duties? But would these duties establish an industry yet young, imperfect, unsupported, opposed by a thousand obstacles, in such a situation as to contend with that of foreign nations? The government might then determine to sacrifice a species of

industry, alike repugnant perhaps to its interest and situation ; but then it would destroy the capitals and the labour employed in these establishments, and this merits some consideration on its part. Without doubt all these reasons have been wisely weighed, and yet almost every government has decided for prohibition as the only means to reach foreign merchandize, not only on the frontiers, which the duties do, but in its internal circulation.

We grant that it would have been wiser for each nation to confine its ambition to cultivating and perfecting that kind of labour for which nature has particularly designed it ; but all wish to obtain all kinds ; and hence have arisen those principles of an interest badly understood, which isolates and reduces them to their own individual resources.

I well know that the laws of nature are fixed, and that sooner or later every nation will resort to that species of industry she has marked out for it ; but the evil is done, and the duration of this departure from true principles will be much more considerable than is generally supposed : a nation which receives its manufactured articles from abroad, cultivates with care the productions of its soil to exchange them in return ; this culture would naturally be more neglected, when exportation is lessened by the refusal to admit foreign manufactures in exchange. We are not ignorant, besides, how difficult it is to contract, and to resolve to sacrifice capitals, and annihilate manufacturing establishments ; when a nation has once engaged in a false route, her hasty change from it cannot be expected, unless by the will of the government, and the nation's recollection of its own interests.

The long war which has shaken Europe to its foundations, has not a little contributed to establish the existing system : the interruption of communication has displayed to the people privations which they did not perceive before ; they have sought by their industry to supply those articles which they formerly received from other nations, and from that moment, the commercial equilibrium has been destroyed. It was thought that peace would restore every thing to its former order and condition. Vain hope ! nations were soon convinced, truly convinced, that their youthful industry could not struggle with that of other nations so much more old and perfect ; but they contented themselves with asking the prohibition of foreign articles, and the governments have decided to grant it.

The English plan of duties has proved the utility of the prohibitory system which forms their basis, and the prosperity of every kind of industry established there, seems to justify governments in adopting it.

The constant principle pursued by the English, for the last century, consists in prohibiting every thing they can manufacture, or laying on the importation of manufactured goods, such a duty as amounts to prohibition ; they apply this principle so strictly that

of some articles, as silks, of which they do not possess the raw material, the prohibition is enforced by the severest penalties. The tariff of duties published in 1809, imposes on thread and cotton balls, a duty of 54 per cent. *ad valorem*; dyed and printed linens, 90 per cent.; dyed silks, 38 fr. per pound; soap in cakes, 64 fr. per 100 pounds; soft soap 54 fr.; it is very evident that such duties are equivalent to a prohibition.

England, however, does not confine herself to prohibiting all foreign manufactures; she has laid as heavy duties on articles her own soil does not furnish, as the wines of France, since that is no more than an article of luxury, whilst the wines of Portugal pay scarcely more than a third of the amount.

The advantages which England derives from a system excluding competition in the markets, are in preserving the workmanship which supports her population; and in being able to tax every thing that goes immediately into internal consumption.

The example she has afforded has been followed by the greatest part of Europe; and it must be granted that in using a just right of retaliation, the only means have been taken that now remain to bring her back to principles less arbitrary.

England has undoubtedly the right of forming such a tariff as she pleases; but other nations have also the right of excluding her; and this is the only measure she should pursue, until she shall change her system.

Again, England may, if she pleases, treat one nation more favourably than another; she has the right of admitting Portuguese wines at a rate two thirds lower than those of France; but France may also, on the same principles, tax the articles of the British colonies in a similar proportion.

England has adopted a system of prohibitions, and in supporting it, although the prosperity of her manufactures need not have induced her to fear competition, she has forced other nations to pursue the same plan.

If England changed her system, so as to admit, under moderate duties, the manufactured articles and territorial products of the rest of Europe; if she treated all nations equally, commercial relations would be quickly re-established, the walls which isolate the nations would fall, and commerce would become, what it should be, a free exchange between nations of their goods.

When England shall follow these principles; when she shall cease to prohibit our laces, our silks, &c. and to tax our manufactured articles with enormous duties; when she shall admit our wines on the same conditions with those of Portugal, France will on her part abandon the prohibitory system, and there will be no need of recurring to it, unless in a few cases, henceforth very rare, where it may be proper to establish them in order to consolidate a species of industry, unable in its infancy to struggle with a manufacture of some other nations, which it is endeavouring to imitate.

3. *Prohibition establishes a monopoly of industry to the prejudice of the consumer.* "

Two periods in every kind of industry should be distinguished, that of infancy and that of maturity : in the former, industry requires encouragement and protection to prevent its being smothered in the cradle by the competition of those nations who enjoy the advantages of experience, antiquity, and capital. To refuse to afford this encouragement and protection, is to consent to be for ever tributary to a foreign power.

If the government does not afford to an important branch of industry about to be established, such advantages as will insure them against the sacrifices and losses inevitable in a new establishment, what prudent man would engage his fortune in enterprises so hazardous ?

In this situation the government should endeavour to conciliate two kinds of interests : that of the manufacturer, so that he may not risk his capital without knowing that the industry by which he seeks to enrich his country, will not be sacrificed to that of foreigners, and that of the consumer, so that he may not be placed at the mercy of the manufacturer, in regard to the price of articles necessary for his use.

Thus the government, which would watch over all these interests, should not prohibit an article already firmly established in consumption to favour the simple attempts at importation ; but from the moment that it is established, by a comparison of the articles which this new species of industry might supply, it should gradually raise the duty on the importation of similar productions, so as to encourage and extend the manufacture until completely able to supply the consumption : in this state, if the duties are still insufficient to establish competition, the entrance of foreign articles should be prohibited.

This system, applicable to all kinds of industry, forms an assurance to the manufacturer who engages his fortune in an enterprise, it excites emulation, multiplies establishments of the same nature, and quickly raises a competition greatly to the advantage of the consumer.

Undoubtedly in the first moments, the consumer may be injured, but it is a passing sacrifice to his country, which opens a new source of riches ; the competition which arises in the manufacture, quickly reduces the prices to what they should be ; of this we have a recent proof in cotton, potash, alum, light cloths, and nearly all kinds of hardware.

4. *Prohibition destroys competition, and arrests the progress of industry.*

This may be true in some establishments whose operations require very large capitals, and where of course changes and improvements are excessively expensive ; but in the manufacture of stuffs, cottons, hardware, chemical products, &c. where competi-

tion is so easily established, the sole object of the manufacturer is to do better than his neighbour ; a prosperous state can only be preserved by continually adding some new improvement, either to lessen the expense of the workmanship or to improve the quality of the articles. It even happens that in a short time the competition becomes so considerable, as that the manufacture surpasses the consumption, and that establishments must be reduced or closed : this we have already seen in cotton threads and goods, potash, alum, sal ammoniac, &c.

Besides the powerful spur of private interest, which competition renders still more active, the discoveries of chemistry and philosophy, which shed a light on all the operations of the arts, present every day new improvements which must be adopted, so as not to be behind hand, and not to injure the fortune and the chances of his industry.

Now, therefore, we need not fear, either a want of competition, or a suspension of the progress of industry ; competition is the inevitable effect of freedom in our pursuits, the progress of industry is naturally promoted by private interest and the application of science to the arts.



**CONCLUSION.**

TO admit the principle of prohibition of manufactured articles, as the basis of a system of duties, would be an act of hostility towards those nations who prohibit nothing.

To adopt this principle against nations who do prohibit, is the simple right of retaliation.

To declare a prohibition in very extraordinary cases, when an important object cannot support competition by the sole aid of duties, is the duty of government, whenever it is the interest of the nation to introduce or encourage that species of manufacture.

If nations did not wander from their true destination, if each was contented with its own portion of nature's inheritance, commercial exchange would be regular; the different articles of industry would have their peculiar country like those of the soil, and the productions of all nations would be naturally distributed among the countries where they were wanted; but the line marked out for each nation by the Supreme Ruler of our destinies, has been imprudently passed: they have not considered the difference of situation, the nature of the soil, the character of the inhabitants, the varieties of climate, &c. but they have sought to concentrate every thing, to manufacture every thing in every spot on the globe.

As the immutable principles of nature yield not to the caprices of men, the false route they have taken has soon been discovered; they have had to conquer all the difficulties in which their false situation has placed them; and in order to preserve the industry they have created, they have been forced to resort to extremes, and to prohibit foreign goods.

We have spoken of the unnatural situation of Europe: England has given the example, and nearly all the other nations have followed her; we are now forced to imitate the conduct of our neighbours. It is, perhaps, the only way by which a great nation, powerful by its industry and its agriculture, and the most independent in its resources, can recall its people to true principles. Let us dare to believe, that this return so desirable is not far distant; and in waiting for it, let us prohibit foreign articles as long as those of our own soil and industry are refused.

